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UNCLAS ABU DHABI 000783

SIPDIS

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SUBJECT: SPECIAL MEDIA REACTION: FTA; P&O DUBAI PORTS

1. Summary:

A UAE columnist in "Al-Khaleej" expresses that the UAE people never expected the P&O business deal to create a political storm, and examines some lessons to learn about this. He urged the UAE authorities to slow down in their efforts to reach an FTA agreement with the U.S. Another columnist in "Al-Ittihad" expresses his regret that a storm was caused in the United States due to Dubai Ports owning P&O. End Summary.

2. Under the headline "What did not cross the minds of the Emiratis?", Dr. Abdul Khaleq Abdulla, a UAE columnist, Sharjah-based Pan-Arab daily "Al Khaleej," (circulation 85,000) 2/28 wrote:

"... The Emiratis never expected that an Emirati company would manage six ports in the only superpower as part of their successful management of about 50 ports in 15 countries. The Emiratis never expected that such a business deal would create such a political storm which has generated 3200 articles, all of which talk about the threat of this business deal to U.S. security... The Emiratis also never expected that the busy President Bush himself would personally defend this deal and speak highly about the UAE, describing it as friendly ally... They also did not expect Bush go further and threatens to veto any attempts to block the deal... The Emiratis, whose country lives in peace and security and hosts people representing 150 nationalities living together, including 30,000 U.S. citizens who live and work in the UAE also did not expect this problems.

There are several lessons to learn from this issue: 1. The U.S. is not necessarily an attractive and ideal environment for investment, as many of America's friends believe. 2. The U.S. has not, and will not soon, overcome the consequences of 9/11.

3. It is important for the UAE to take its time during the discussions of the fifth round of the FTA negotiations. The agreement, just as the P & O deal would be subject to Congressional approval. This would help the UAE avoid a session of insults by the leaders of both Republican and Democratic parties. 4. The six ports are the least important business deal so it is better that Dubai Ports Authority get rid of this business deal, even if this means a small loss. 5. If the UAE wants to be a global player, it should be ready for international consequences of such a status. 6. The U.S. is the biggest loser, morally as well financially. U.S. credibility, when it comes to free trade and globalization is baseless. As for the UAE citizens who live a normal life, the big noise over the ports is no more than a sarcastic political play that reflects the ignorance and triviality of political leaders in Washington and all it generates is laughter and pity."

13. Under the headline "FLAGS OF FTA", Shihab Gargash, wrote in his daily column in Abu Dhabi-based Arabic Daily "Al Ittihad," (circulation 65,000) 2/28:

"The windwhirl caused by the internal political conflicts in the United States regarding the Dubai Ports Authority's ownership of the international company P&O, is indeed a regrettable matter. Especially from such a powerful force that claims to carry the slogan of free trade and lectures to all nations of the world... We all know that such an issue can be attributed to internal political challenges, and when issues are being politicized, it becomes impossible to predict consequences. The deal could get through as planned and may fail due to baseless claims. If this happens, it would be a setback to the banner that the U.S. has held before the world nations for a long time. It also seems that this flag of freedom is less free than we assumed."

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